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THE ROLE AND IMPORTANCE OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IN THE DEVELOPMENT OF THE COUNTRY'S ECONOMYA

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Abstract:
This article analyzes the role and importance of small business and private entrepreneurship in the development of the economy of our region country. The role of small business in the economy, the creation of newjobs, the introduction of innovations and increasing export volumes are considered. Based on statistical data and empirical analysis, factors that hinder the development of small business are also analyzed. Also, based on the experience of developed countries, effective strategies for supporting small business in our country are proposed. This article contains important recommendations aimed at stimulating economic growth and improving the living standards of the population through the development of smallbusiness.

Keywords: small business, private entrepreneurship, economic development, innovation, job creation, export, investment, state support, Uzbekistan, startups

HUDUD IQTISODIYOTINI RIVOJLANTIRISHDA KICHIK BIZNES VA HUSUSIY TADBIRKORLIKNI ROLINI OSHIRISH VA UNI YANADA QO‘LLAB QUVATLASH

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Annotatsiya. Ushbu maqolada kichik biznes va xususiy tadbirkorlikning hudud iqtisodiyotini rivojlantirishdagi roli va ahamiyati tahlil qilingan. Kichik biznesning iqtisodiyotdagi o‘rni, yangi ish o‘rinlari yaratish, innovatsiyalarni joriy qilish va eksport hajmini oshirish kabi jihatlar ko‘rib chiqilgan. Statistik ma’lumotlar va empirik tahlillar asosida kichik biznesni rivojlantirishga to‘sqinlik qiluvchi omillar ham tahlil qilingan. Shuningdek, rivojlangan mamlakatlarning tajribasi asosida mamlakatimizda kichikbiznesni qo‘llab-quvvatlash uchun samarali strategiyalar taklif etilgan. Ushbu maqola kichik biznesni rivojlantirish orqali hududlarda iqtisodiy o‘sishni rag‘batlantirish va aholi turmush darajasini yaxshilashga qaratilgan muhim tavsiyalarni o‘z ichiga oladi.

Kalit so‘zlar: kichik biznes, xususiy tadbirkorlik, iqtisodiy rivojlanish, innovatsiya, ish o‘rinlari yaratish, eksport, investitsiya, davlat qo‘llab-quvvatlashi, O‘zbekiston, startaplar.

РОЛЬ И ЗНАЧЕНИЕ МАЛОГО БИЗНЕСА И ЧАСТНОГО ПРЕДПРИНИМАТЕЛЬСТВА В РАЗВИТИИ ЭКОНОМИКИ СТРАНЫ

Аннотация. В данной статье анализируется роль и значение малого бизнеса и частного предпринимательства в развитии экономики нашей регион страны. Были рассмотрены такие аспекты, как роль малого бизнеса в экономике, создание новых рабочих мест, внедрение инноваций и увеличение объемов экспорта. На основе статистических данных и эмпирического анализа также были проанализированы факторы, сдерживающие развитие малого бизнеса. Также на основе опыта развитых стран предложены эффективные стратегии поддержки малого бизнеса в нашей стране. В данной статье содержатся важные рекомендации, направленные на стимулирование экономического роста и повышение уровня жизни населения за счет развития малого бизнеса.

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Ключевые слова: малый бизнес, частное предпринимательство, экономическое развитие, инновации, создание рабочих мест, экспорт, инвестиции, государственная поддержка, Узбекистан, стартапы.

INTRODUCTION: Today, small businesses and private entrepreneurship are an integral part of the modern economy. Their role in the economy is evident in many countries through aspects such as ensuring stable economic growth, creating new jobs, and developing innovative technologies. In particular, in Uzbekistan, small businesses hold a significant share in the gross domestic product (GDP) and are considered one of the key factors in ensuring economic stability. As emphasized in the speech by the President of the Republic of Uzbekistan, Sh. Mirziyoyev, titled 'Critical analysis, strict order and discipline, and personal responsibility should be the daily rule of every leader's activities,' the reforms being carried out in our country to liberalize and modernize the economy require further development and effective functioning of economic relations among market participants, establishing them on a fundamentally new level. In recent years, the sharp growth of small businesses can be explained by the increasing share they have in the country's gross domestic product. [1]

A lot of attention is being paid to creating a favorable legal, economic, and institutional environment to develop small businesses and private entrepreneurship in our country. Measures like tax incentives, lending programs, and simplified document exchanges serve as tools to encourage the growth of small businesses. At the same time, there are still challenges to be addressed in this sector, such as limited access to financial resources and low levels of technological development. Ushbu maqolada kichik biznes va xususiy tadbirkorlikning O‘zbekiston iqtisodiyotini rivojlantirishdagi ahamiyati va ularni yanada rivojlantirish yo‘nalishlari tahlil qilinadi. Shu bilan birga, rivojlangan mamlakatlar tajribasi asosida taklif va tavsiyalar ishlab chiqiladi.

REVIEW OF LITERATURE ON THE TOPIC. Many local and foreign researchers have highlighted the factors affecting the economy through their scientific works and analyses on the topic of small business and private entrepreneurship. This topic is especially relevant in terms of ensuring economic diversification and sustainable development. Below, we will go over the main scientific works conducted in the field of small business and private entrepreneurship. The role of small business and private entrepreneurship in the economy of Uzbekistan is very important. This sector not only accelerates economic growth but also plays a key role in creating new jobs, ensuring social equality, and improving the living standards of the population. Many studies are being conducted in this field in our country, especially the works of scientists like Z.A. Isroilov, B.Z. Nosirov, X.A. Baratov, and B.S. Rahmonova, which are a clear reflection of achievements in this area. Their scientific research is aimed at deeply analyzing the factors in small business development and developing the necessary recommendations to effectively manage this process.

Their scientific research is aimed at deeply analyzing the factors in developing small businesses and creating recommendations necessary for effectively managing this process. The studies of these scholars are conducted in several main directions. They examine the organizational mechanisms for supporting small businesses and analyze the effectiveness of government policy in this area. According to them, financial support, tax incentives, and improving the legal framework are crucial for the development of small businesses. In particular, they emphasize that the system for financially supporting small enterprises needs to be designed to provide resources quickly and conveniently. The innovative approaches of these scholars also deserve special attention. They analyzed the opportunities for small business entities to implement innovations and raised issues of increasing efficiency through the use of modern technologies and digital platforms.

Nowadays, small businesses are expected not only to engage in simple economic activities but also to adapt to the conditions of the digital economy. For this reason, they developed specific proposals on introducing digital technologies into small businesses.

The social aspects of entrepreneurship are also important. Z.A. Isroilov and his colleagues highlighted the social significance of small businesses on a broad scale, studying their role in creating new jobs and ensuring social equity. Their research revealed many positive effects of small businesses aimed at improving the well-being of the population.[2].

[1] Sh. Mirziyoyev, 'Critical analysis, strict discipline, and personal responsibility should be the daily rule for every leader,' Tashkent, 2018

[2] Toshpulatov, A. (2018). Small business and private entrepreneurship entities: their role in the economy and

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Research on developing small business in Uzbekistan has mainly focused on improving local infrastructure and creating a favorable financial environment for entrepreneurs. Isroilov, Nosirov, Baratov, and Rahmonova have put forward valuable suggestions on simplifying the use of financial resources for small business entities and optimizing the system of government-provided subsidies and benefits.

The work of these researchers is extremely important for increasing the role of small business in Uzbekistan's economy and ensuring its alignment with global demands. Their studies offer valuable experience and recommendations that can be applied not only nationally but also internationally to support small business development. These scholars' contributions play a key role in making Uzbekistan one of the competitive countries in the field of entrepreneurship.

The Russian economy is a complex and multi-layered system, and small businesses play a particularly important role in ensuring its stability. This sector is crucial for addressing the country's socio-economic problems, creating new jobs, and fostering innovation. Many Russian scholars have studied the importance of small business and strategies to support it, trying to identify the main issues in this area. The works of researchers like E.A. Gracheva and A.N. Shumkov are vivid examples of the scientific research carried out in this field.[3].

E.A. Gracheva particularly emphasizes the importance of government support in developing small businesses. In her research, she suggests various approaches to improve the effectiveness of financially supporting small enterprises. Financial aid, preferential loans, and subsidies are seen as crucial factors in ensuring the stability of small businesses. Gracheva also recommends adapting small business development programs by taking regional characteristics into account. She stresses the need for an individual approach for each region since economic conditions vary significantly across different areas. For example, in regions with low economic development, small businesses can be encouraged by expanding tax benefits and increasing financial support measures.

A.N. Shumkov, on the other hand, catches attention with his research focused on increasing the competitiveness of small businesses. According to him, digital technologies open up new opportunities for small businesses. E-commerce platforms and online services are important tools for small enterprises to expand market boundaries, attract new customers, and strengthen integration with both domestic and international markets.

Shumkov believes that introducing innovative approaches is one of the main directions to ensure the success of small businesses. He thinks that small businesses need to diversify their products and services and be flexible to adapt to changing consumer demands.

The research by Gracheva and Shumkov plays an important role in highlighting the place of small businesses in the Russian economy and ways to develop them. Their proposals cover a wide range of issues, from financial support to technological innovations.[4].

In particular, in regions with low levels of economic development, it is possible to ensure sustainable development by strengthening government measures to encourage small businesses and introducing innovative technologies. Among foreign scholars, Joseph Schumpeter's work is very important regarding the role of small businesses in economic growth. He introduced the concept of "innovative entrepreneurship" and proved that small enterprises are the main driving force of economic development. Schumpeter viewed small businesses as a mechanism that renovates and develops the market through innovations.

Additionally, David Birch deeply analyzed the importance of small businesses in creating jobs and proved that small enterprises create more new jobs compared to large companies. His research on rapidly growing small business models, called "gazelles," is particularly relevant.

Tadqiqot metodologiyasi. Kichik biznes va xususiy tadbirkorlikni rivojlantirish bo‘yicha olib borilgan ilmiy tadqiqotlarning metodologiyasi ko‘plab muhim usullarga asoslanadi. Birinchi navbatda, statistik tahlil usuli keng qo‘llanilib, mamlakat miqyosida kichik biznesning iqtisodiyotdagi ulushi, u tomonidan yaratilayotgan ish o‘rinlari va kiritilayotgan innovatsiyalarning natijalari o‘rganiladi. Ushbu usul yordamida tadqiqotchilar kichik biznesning iqtisodiy barqarorlikka qo‘shayotgan hissasini aniq raqamlar bilan

development trends. Business Express Journal, No1(121), January 30.

[3] Koraboev, N. (2018). Analysis of the role of small business and private entrepreneurship in Uzbekistan's national economy and the state of labor resources. Business Express Journal, No2(122), February 28.

[4] Gracheva, E.A. (2019). Small Business Development in Russia: Challenges and Prospects. Russian Journal of Economics, 5(2), pp. 125-140.

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tahlil qilish imkoniga ega bo‘ladilar. Ayniqsa, statistik ma’lumotlar asosida kichik biznes subyektlari uchun moliyaviy yordam va soliq yengilliklarining natijadorligi o‘rganiladi.

Research Methodology. The methodology of scientific research conducted on the development of small business and private entrepreneurship is based on many important methods. Firstly, the statistical analysis method is widely used to study the share of small businesses in the economy, the jobs they create, and the results of the innovations they introduce on a national scale. With this method, researchers can analyze the contribution of small businesses to economic stability with precise figures. In particular, based on statistical data, the effectiveness of financial support and tax benefits for small business entities is studied.

The second important approach is the comparative analysis method. Researchers, including Z.A. Isroilov and his colleagues, compare the policy for developing small business in Uzbekistan with the experience of developed countries. This method evaluates the effectiveness of supporting small businesses. Based on this information, researchers develop proposals for creating a favorable infrastructure for small businesses, improving the lending system, and introducing technological innovations. An empirical approach helps study the real-life activities of small businesses and provides solutions that are close to practice. These methodological approaches together create a solid scientific basis for effectively developing strategies aimed at promoting small businesses and contributing to the country's economic development.

Analysis and results. President Shavkat Mirziyoyev's new initiatives for promoting entrepreneurship are opening the door to new opportunities for small and medium-sized businesses in Uzbekistan. The impact of these measures on the economy is highlighted through various statistical data.

As our President pointed out, the share of companies operating for more than three years has reached 76 percent, and for the first time, their total number has reached 300 thousand. The table below shows the growth dynamics of these companies.

Table 1: Share of companies operating for more than three years

	Number of companies (thousands)	Activity for more than three years (%)
	270	70
	300	75
	320	82

Source: Compiled by the author based on information from https://www.gazeta.uz.

As can be seen from this table, the number of enterprises and the duration of their operations show a steady growth trend. This is a result of success in supporting small and medium-sized businesses.

The increase in the share of companies operating for more than three years in Uzbekistan indicates economic stability and improvements in the business environment. This figure reflects growing confidence in business and the effectiveness of the conditions being created for entrepreneurship.

Korxonalarning soni va faoliyat davomiyligidagi o‘sish kichik va o‘rta biznesni qo‘llab-quvvatlash bo‘yicha amalga oshirilayotgan islohotlarning natijasidir.

Strengthening the activities of enterprises that have been operating for more than three years increases their share in the economy. This, in turn, creates important conditions for generating new jobs, implementing innovations, and attracting investments. The country's success in this area not only helps develop the domestic market but also lays the groundwork for establishing international business partnerships.

DISCUSSION: The reforms being carried out to promote entrepreneurship in Uzbekistan's economy show that the state policy aimed at supporting small and medium-sized businesses is being successfully implemented. The analysis of the new measures announced by President Shavkat Mirziyoyev indicates that initiatives such as microfinance, factoring, and the development of the Islamic finance market provide broad opportunities to ensure economic stability. First of all, the fact that the share of businesses operating for more than three years has reached 76 percent and their number has increased to 300,000 shows that a favorable environment for entrepreneurship has been created. In this, the stable development of small and medium-sized businesses, the expansion of access to financial resources, and the institutional support provided by the government play an important role. This trend contributes to the diversification of the economy and the increase in export potential. Secondly, the growth of microcredit from 5 trillion soums to 10 trillion soums during 2021-2023 is one of the main factors in developing small businesses. The increase in credit volume creates new opportunities for entrepreneurs, helping to establish and grow companies. Also, not requiring collateral up to 100 million so‘m makes it easier to use financial resources, which helps new entrepreneurs join the economy. This approach leads to improving

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the socio-economic environment, creating new jobs, and increasing people's incomes.

Thirdly, the increase in the number of medium and large enterprises shows that the economic infrastructure is strengthening. By 2023, the number of medium enterprises reached 9,000, and large enterprises reached 2,200. These figures confirm that the level of competitiveness in the economy has increased and that large investments are being attracted.

This growth creates conditions for companies to implement innovations, improve product quality, and enter international markets. In particular, the increase in tax revenues allows the government to allocate more funds to social and infrastructure projects.

At the same time, factoring services and the development of the Islamic finance market provide new financial tools for business entities. The popularity of factoring services plays a big role in solving working capital problems. According to international financial corporation data, demand for factoring services in Uzbekistan amounts to 10 billion dollars, which opens up important opportunities for exporting companies. Also, the development of the Islamic finance market helps attract local and international investors, increasing the global competitiveness of the economy.

CONCLUSION

In conclusion, small businesses and private entrepreneurship play a crucial role in ensuring the stable development of the country's economy. They are becoming a key driving force of the economic system by creating new jobs, introducing innovations, increasing export potential, and boosting people's incomes.

In recent years, the government of Uzbekistan has created many favorable conditions to support the growth of small businesses and private entrepreneurship. As a result of the reforms promoted by our President, the increase in microloan volumes, easy access to financial resources, and new mechanisms for financially supporting businesses are contributing to the sustainable development of small and medium-sized enterprises. By 2023, the share of enterprises operating for more than three years reached 76%, and for the first time, the number of enterprises exceeded 300,000, confirming the effectiveness of these reforms.

Also, the increase in the number of medium and large enterprises, along with the development of factoring and Islamic finance services, is opening up new opportunities for small business entities. This is important for ensuring the diversification and competitiveness of the country's economy. As the business environment improves, indicators like taxes, investments, and economic activity are noticeably rising.

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